

February 3, 2020

Postal Regulatory Commission  
901 New York Avenue NW  
Suite 200  
Washington, D.C. 20268

Re: Ten-Year Rate System Review, Docket No. RM 2017-3

On behalf of Independent Sector—the nation’s leading coalition of public charities, private foundations, and corporate philanthropy programs—I write to express concern and opposition to the Postal Regulatory Commission’s most recent proposal under its statutory review of the system for regulating rates and classes for market dominant products.

Independent Sector’s members collectively represent tens of thousands of organizations of every size in every region of the country, as well as millions of donors and volunteers. Since our founding in 1980, Independent Sector has advanced the common good by leading, strengthening, and mobilizing the charitable community in order to create a just and inclusive society of active citizens, effective institutions, and a healthy democracy.

For many nonprofit organizations, mail is an essential means of communication with their donors, members, clients, and other stakeholders. Whether they are sending information about their work, renewing or soliciting memberships, or asking for donations, access to reliable, affordable postal mail is fundamental to serving their communities. This can be especially true for small nonprofit organizations without national name recognition. Because of its importance to such a broad cross-section of the nonprofit community, it is no surprise that nonprofit mail revenue is also a critical component of the U.S. Postal Service’s business model.

Since the enactment of the Postal Accountability and Enhancement Act in 2006, USPS has generally been limited to annual cost increases in line with the Consumer Price Index for mail products in which it has a monopoly. This price protection has been essential for nonprofit organizations, which cannot simply expect their revenue growth to keep pace with either inflation or community need. The prospect of allowing increases of 28 to 40 percent or more over five years—as the Postal Service now proposes—is profoundly concerning.

Charitable giving has long been the lifeblood of our nation’s nonprofit sector. Yet in 2018, despite a growing economy, overall charitable giving revenue failed to keep up with inflation, and gifts from individuals dropped by more than 3 percent in real dollars. The data for 2019 continues to indicate an alarming decline in both the dollars given to charity and in the number



of Americans giving to charity at all. When considered alongside such concerning national trends, dramatic increases in the cost of charitable solicitation become even less acceptable.

The substantial increases permitted under this proposal would hurt nonprofit organizations' ability to serve their communities, conflict with the intent of the underlying legislation, and inflict long-term damage on the Postal Service's balance sheet. I urge you to reject them.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan J. Cardinali".

Daniel J. Cardinali  
President and CEO